

## Message Text

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PAGE 01 BANGKO 20172 170940Z  
ACTION EA-12

INFO OCT-01 ISO-00 EB-08 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 DOE-15 H-01 INR-10 INT-05 L-03  
NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09 SP-02  
SS-15 STR-07 TRSE-00 ACDA-12 NRC-05 /135 W  
-----056223 171911Z /46

R 170935Z JUL 78  
FM AMEMBASSY BANGKOK  
TO SECSTATE WASHDC 7775

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EO 11652: N/A  
TAGS: ENRG, EIND, TH  
SUBJECT: UNION OIL NATURAL GAS NEGOTIATIONS

REF: STATE 179403

1. UNION OIL VP GREENWALT REPORTS AGREEMENT WAS REACHED  
WITH RTG MORNING OF JULY 17 FOR EXTENSION OF CONCESSION.  
IN JOYFUL TONE GREENWALT CHARACTERIZED THIS AGREEMENT,  
COUPLED WITH EARLIER PRICING AGREEMENT, AS A MAJOR STEP  
FORWARD ON GAS PROJECT.

2. GREENWALT CONFIDED "MAJOR STUMBLING BLOCK NOW IS U.S.  
INTERNAL REVENUE SERVICE." UNION IS ABOUT TO FILE PETI-  
TION IN WASHINGTON REQUESTING RELIEF FROM DOUBLE TAXATION.  
RTG HAS BEEN RECEPTIVE TO SOME CHANGES IN THAI TAX LAW TO  
ACCOMMODATE UNION SO THEY CAN CONFORM TO IRS STANDARDS;  
HOWEVER, THAI MAY FIND IT IMPOSSIBLE TO MEET ALL IRS  
REQUIREMENTS. GREENWALT CONTENDS WITHOUT IRS AGREEMENT TO  
ACCEPT COMPANY PETITION, THE PROJECT COULD FALL THROUGH.

3. GREENWALT ALSO ALLUDED TO SOME DIFFICULTY WITH NATURAL  
GAS ORGANIZATION OF THAILAND (NGOT) COMMITTEE, WHICH AT  
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ONE JUNCTURE TRIED TO RENEGOTIATE ASPECTS OF PRICING  
CONTRACT. COMPANY STERNLY REBUFFED THESE OVERTURES AS  
POINTS ALREADY AGREED TO BY THAI CABINET AND NGOT COMMIT-  
TEE BACKED DOWN. HE INDICATED THERE WERE STILL SOME  
"WRINKLES IN CONTRACTS WHICH HAD TO BE IRONED OUT," SUCH  
AS PERFORMANCE GUARANTEES WHICH NGOT WISHED TO BE  
UNILATERAL COMMITMENTS BY UNION AND COMPANY INSISTS BE

RECIPROCAL. GREENWALT GIVES US IMPRESSION THAT THESE PROBLEMS, WHILE IRRITATING AND TIME-CONSUMING, WILL BE SURMOUNTED. THE IRS PROBLEM APPEARS TO BE THE MAJOR DIFFICULTY AT THE MOMENT. O'DONOHUE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATURAL GAS, INDUSTRIAL DEVELOPMENT, NEGOTIATIONS, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BANGKO20172  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780293-0189  
**Format:** TEL  
**From:** BANGKOK  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1978/newtext/t19780754/aaaabtmu.tel  
**Line Count:** 66  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** bbfd7f72-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 179403  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1991907  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNION OIL NATURAL GAS NEGOTIATIONS  
**TAGS:** ENRG, EIND, TH, UNION OIL  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/bbfd7f72-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014